

## News Release

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## AFFORDABLE HOUSING LAND TRUST SETTLES ON FIRST PROPERTY

**FREDERICK, MD** – Frederick County's new Affordable Housing Land Trust recently settled on the first property that will be rehabilitated and sold to a qualified buyer. An estimated 20 – 30 more homes may be available to qualified buyers each year.

The Frederick Board of County Commissioners partnered with Habitat for Humanity of Frederick County and approved \$50,000 in funding to help start the housing land trust on September 12. The nonprofit, tax exempt LLC will offer Frederick County residents reduced prices on vacant, abandoned and foreclosed residential properties. The land trust will purchase low-priced homes and rehabilitate them for sale.

Due to the downturn in the housing market, in 2011 the county adopted the Moderately Priced Dwelling Unit (MPDU) Payment in Lieu Option. Under this option, the county allows a private developer the option of making a payment for each new housing unit that would otherwise be built under the MPDU Ordinance. Instead of building new housing units, the MPDU funds are being used to fund the land trust to purchase and rehabilitate "existing" vacant homes and provide homeownership opportunities to Frederick County households, while at the same time revitalizing neighborhoods.

Board President Blaine Young commented, "We are pleased to see this special affordable housing program moving forward with the settlement of its first property. Soon, we will witness many families and individuals taking their first steps over the thresholds of refurbished homes, thanks to this new program. We are proud of the fact that we will be rehabilitating foreclosed or abandoned houses and helping to revitalize neighborhoods in our county. This unique program will provide for the flow of funds to ensure an expanding and permanent supply of sustainable affordable workforce housing."

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In addition to the start-up funding provided by the county, the board in November 2012 authorized the Frederick County Department of Housing and Community Development to submit a funding application to the Maryland Department of Housing and Community Development for a grant through the Maryland Neighborhood Conservation Initiative, part of which would be used to establish the land trust and purchase the first properties. In April 2013, the state authorized a one million dollar grant to support two components of the application, a down payment assistance component and the establishment of the land trust.

"We are delighted to be part of this very special new program that will help more people fulfill their dream of personal home ownership in Frederick County and also allow us to use our skills in fixing up properties around the county. Our appreciation goes to the Frederick Board of County Commissioners for having the vision to join in this collaborative effort. The land trust is one more way we are working with the excellent staff at the Housing and Community Development Department to fulfill our vision of a world where everyone has a decent place to live," said Executive Director Ron Cramer of Habitat for Humanity of Frederick County.

A seven-member Board of Governors appointed by Habitat for Humanity will manage the land trust. The land trust will acquire properties through purchase or donation, issue requests for proposals, or act as the developer, creating the housing to be conveyed. The land trust retains ownership of the land and sells the improvements to the homebuyer. The homeowner owns all buildings, structures and any other improvements and is responsible for maintenance of the property. The land trust will ensure the properties remain affordable to generations of future homebuyers through shared equity and resale covenants set forth in the deed and a trust agreement recorded in the land records.

Qualified homebuyers must meet certain criteria, including that they must live or work in Frederick County and may make no more than 80 percent of the Frederick County area median income. Total earnings for an individual are required to be under \$60,500, and for a four-person household, the earnings must be under \$85,850.

This is the first land trust in Maryland under the new Affordable Housing Land Trust Act that went into effect on October 1, 2010.

For more information, contact Director Jenny Short, Housing and Community Development Department, at 301-600-3530 or via e-mail at <u>jshort@FrederickCountyMD.gov</u>, or Mr. Cramer at 301-698-2449 or via e-mail at <u>director@frederickhabitat.org</u>.